DOCUMENT RESUME

ED 465 069 CE 083 315

| | |
|---|---|
| AUTHOR | Fleischer, Wendy |
| TITLE | Extending Ladders: Findings from the Annie E. Casey Foundation's Jobs Initiative. |
| INSTITUTION | Annie E. Casey Foundation, Baltimore, MD. |
| PUB DATE | 2001-09-00 |
| NOTE | 31p. |
| AVAILABLE FROM | Annie E. Casey Foundation, 701 St. Paul Street, Baltimore, MD 21202. Tel: 410-547-6600; Fax: 410-547-6624; Web site: http://www.aecf.org. For full text: http://www.aecf.org/jobsinitiative/ladders.pdf |
| PUB TYPE | Reports - Descriptive (141) |
| EDRS PRICE | MF01/PC02 Plus Postage. |
| DESCRIPTORS | Employer Employee Relationship; Employment Potential; *Employment Programs; Government School Relationship; Intergroup Relations; *Job Placement; *Job Training; Labor Force Development; Low Income Groups; Models; Outcomes of Education; Policy Formation; Poverty; Program Administration; Program Development; *Program Effectiveness; Program Evaluation; Public Policy; Young Adults |
| IDENTIFIERS | *Annie E Casey Foundation; Colorado (Denver); Louisiana (New Orleans); Missouri (Saint Louis); Pennsylvania (Philadelphia); Washington (Seattle); Wisconsin (Milwaukee) |

ABSTRACT

In 1995, the Anne E. Casey Foundation launched the Jobs Initiative (JI) in six cities to change labor market prospects for low-income young people in order to help them get jobs that could move their families out of poverty. The JI attempts to change the way employers recruit and supervise workers and how work is structured; to prepare workers and create conditions for their success; and to reach thousands of low-income people. After about 4 years, evaluation of the $30 million program showed that many successes have been achieved. JIs in Denver, Milwaukee, New Orleans, Philadelphia, St. Louis, and Seattle have enrolled nearly 12,000 workers and placed about half of them in jobs, paying $7-$11 per hour plus benefits, with more than 2,100 employers. Factors contributing to program success include the following: (1) designing the right mix of employment strategies for low-income job seekers; (2) engaging employers in workforce development; (3) providing support services; (4) understanding the interface of soft skills and race; (5) improving retention and advancement; and (6) integrating JI principles into regional workforce strategies to benefit low-income workers throughout each region. Half-way through the initiative, the JI sites are using lessons learned to improve their programs. Policy recommendations include using federal training funds to incorporate the successful practices used by the JIs and expansion of the lessons learned into systemic change of the labor market. (Contains 38 references.) (KC)

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# Extending Ladders

## FINDINGS FROM THE ANNIE E. CASEY FOUNDATION'S JOBS INITIATIVE

BY WENDY FLEISCHER

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FINDINGS FROM
THE ANNIE E. CASEY FOUNDATION'S
JOBS INITIATIVE

By Wendy Fleischer



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## Acknowledgements

This paper benefited from the input and insights of many people. Special thanks are due to Bob Giloth and Susan Gewirtz of the Annie E. Casey Foundation for the opportunity to work with them on this and their guidance through the process. Much appreciation is due to Ed Hatcher for making the connections to all the people who participated in this process and for his guidance and contributions. Special thanks are due to the busy Jobs Initiative staff who took time out to provide invaluable information and insights: Margaret Berger Bradley, Philadelphia; Laura Dresser, Milwaukee; Dianne Hanna, Seattle; Anne Keeney, Seattle; Tom Rhodenbaugh, St. Louis; Jyaphia Rogers, New Orleans; Caroline Schultz, Milwaukee; and Judy Summerfield, Seattle.

Thanks to Marc Bendick, Brandon Roberts and Judy Taylor for identifying the themes that would shape this paper. Marc Bendick and Judy Taylor also provided very helpful comments on an early draft. Robert Harrington of Metis Associates was enormously helpful and responsive in supplying current data from the sites; thanks are also due to Kim Huff of Metis. Julie Strawn generously provided assistance on a draft outline and helpful comments on an earlier version of this report. Roberta Iversen shared ethnographic data that were incredibly useful in understanding the details of the Jobs Initiative (JI) from the participants' perspective and provided insightful comments on early drafts. Thanks to Scott Hebert, Abt Associates, for clarification on evaluation materials and Sharon Walter, Interim Solutions Inc., for her insights on cultural competency.

Finally, many thanks to Georgianna Skarbatus at the Annie E. Casey Foundation for supplying numerous JI documents. Nina Herzog went beyond the call of collegiality and friendship in supplying valuable editing and moral support. Thanks are due to Julie Dressner, who spent precious time providing detailed comments on an early draft. Much appreciation also to Marcel van Rootselaar for his support.


## About the Author

Wendy Fleischer is an independent consultant and writer who assists nonprofits and foundations in the program design, development and implementation of anti-poverty programs. Recent projects include monitoring the Jobs Plus Demonstration Program, a program designed to substantially raise the rate of employment in six public housing authority sites across the country, and helping to design a public/private jobs initiative led by a private real estate developer (both for The Rockefeller Foundation).

As program director of the Corporation for Supportive Housing's employment program, she initiated and directed *Next Step: Jobs*, a three-year demonstration implemented by twenty supportive housing providers. She has co-authored several reports, including *Keeping the Door Open: A Guide to Employment Programs Serving People with Drug Problems*, *The Next Wave: Employing People with Multiple Barriers to Work*, and *Next Door: A Concept Paper for Place-Based Employment Initiatives*. She was formerly executive director of the Fifth Avenue Committee, Inc. and currently serves on the Board of Directors of that organization's affiliate, Brooklyn Workforce Innovations. Wendy has a Masters in City and Regional Planning from the University of Pennsylvania.


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*Editor: Ed Hatcher, The Hatcher Group*
*Graphic Design: Sharon Ogburn*
*Printing: Pavsner Press, Inc.*
*Photos on pp. 1, 16, 18, 24, 26: Susie Fitzhugh*
*Photo on p. 20: Carol Highsmith*

The Annie E. Casey Foundation was established in 1948 by Jim Casey, one of the founders of United Parcel Service, and his siblings, who named the Foundation in honor of their mother. The primary mission of the Foundation is to foster public policies, human-service reforms, and community supports that more effectively meet the needs of today's vulnerable children and families. In pursuit of this goal, the Foundation makes grants that help states, cities, and neighborhoods fashion more innovative, cost-effective responses to these needs.

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September 2001

# Extending Ladders

FINDINGS FROM
THE ANNIE E. CASEY FOUNDATION'S
JOBS INITIATIVE

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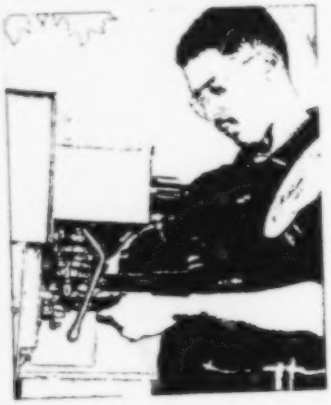
# Introduction

What would it take for large numbers of low-income, inner-city residents to get jobs that could move their families beyond poverty? The Annie E. Casey Foundation hypothesized that changing the labor market prospects for disadvantaged workers would require strategies that cut across welfare, job training, education, human services and economic development systems. It would necessitate changes in the way employers recruit and supervise workers and modifications in the way work is structured and compensated. It would call for strategies that both prepare the worker and create the conditions where that worker's success is attainable. It would mean sustaining a level of effort that would reach thousands, continue for many years and endure repeated political and economic shifts.



## Abt Associates and the New School University

The evaluation of the JI is being conducted by Abt Associates and The New School University using a Theory of Change framework. This approach makes explicit the assumptions of the stakeholders, tracks progress on the activities undertaken to meet each site's goals and provides feedback during implementation. This form of evaluation anticipates that goals, theories and activities will change as information and experience is gained; it does not hold the program to a static model. This approach was chosen in part because it is not feasible to create a valid control or comparison group in initiatives that target an entire metropolitan region as JI does.

The Theory of Change approach uses traditional methods to track progress. Abt and the New School used the following methods to write the recently published Cross-Site Report on the Capacity-Building Phase of the Jobs Initiative. The research team:

- analyzed data provided by the sites on participants' progress;
- conducted a follow-up survey of 333 participants approximately 18 months after their enrollment in the JI;
- employed local researchers to monitor program activities and interview selected participants;
- conducted a benchmarking study to examine performance and cost effectiveness of a subset of JI projects from each site and a few similar projects from outside the JI; and
- visited each site periodically and attended national meetings and conferences.

*Evaluation Team*

*Abt Associates: Larry Orr, Scott Hebert, Doug Welch, Anne St. George, Rhae Parkes*

*New School University: Alex Schwartz, Dennis Derryck, Liz Mueller*

*Local Research Liaisons: Lisa Waugh, Denver; Tom Moore, Milwaukee; Denise Strong, New Orleans; David Bartelt, Philadelphia; Annie Laurie Armstrong, Seattle; David Ault and Gil Rutman, St. Louis*

*AECF Team: Cindy Guy and Tom Kelly*

*Technical Advisory Panel: Virginia Carlson, Chicago Partnership for Economic Development; Bennett Harrison (deceased); J. Phillip Thompson, Columbia University; Carol Weiss, Harvard University; Edwin Melendez, New School University; Phil Clay, Massachusetts Institute of Technology*





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## Ethnography

Inspired in part by Kathy Edin and Laura Lein's seminal ethnographic study "Making Ends Meet," about women who rely on welfare and low-wage earnings, the Annie E. Casey Foundation set out to answer the questions that the evaluation would not—the "why" and "how" questions. Furthermore, being a "kids foundation," it was important for the Foundation to understand the JI's impact on children. Led by a social researcher at the University of Pennsylvania, an ethnographic study was launched at two of the JI sites to examine the effect of increased economic health on the family system. Seattle and Milwaukee were selected because Milwaukee had the highest wages and Seattle had the most placements. The study in those sites has been completed, and the ethnography is now being expanded to include St. Louis and Philadelphia.

In Milwaukee and Seattle, on-site researchers were hired to follow five families in each site for six to eight months. The local researchers visited their homes, followed their daily routines, shadowed their children at school, went to their workplace, met members of their personal networks and learned about the training programs they had attended. The field researchers made over 400 contacts and generated 3,000 pages of data.

All the participants selected for the study were already working and had children at home. They were selected to provide representation of different industry sectors—they were all participants in sectoral strategies—and they represented different stages of contact with the initiative.

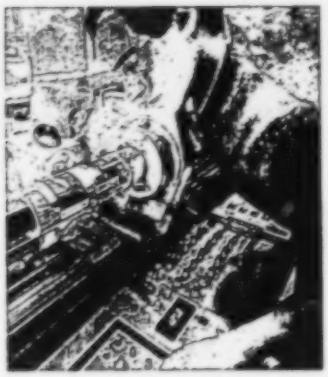
Despite the intense scrutiny of the field researchers, none of the ten families dropped out of the study. The lead ethnographer believes that participants felt the process gave them a voice. Each of the families reviewed 25-page narratives about themselves, and most were inspired to see the written account of their lives. "There are some critical things in here but they're true," one respondent told the ethnographer. One child said, "I never realized all this about my mother!" The study had an impact on the program, too, highlighting the need for case management at the sites.

*Lead Ethnographer: Roberta Rehner Iversen, University of Pennsylvania, Philadelphia, PA*

*On-site Field Researchers: Annie Laurie Armstrong, Seattle; Diane Michalski Turner and Kathe Johnson, Milwaukee*

In 1995, the Annie E. Casey Foundation launched the Jobs Initiative (JI) to achieve these ambitious changes in six cities. About half-way through the eight-year, $30 million initiative, six sites and their local public and private investors have a lot to show for their efforts, including employment outcomes and lessons for the field. Jobs Initiatives in Denver, Milwaukee, New Orleans, Philadelphia, St. Louis and Seattle have enrolled nearly 12,000 workers and placed about half of them in jobs with over 2,100 employers. The sites have entered the Initiative's final phase, a four-year effort to convert its programmatic efforts into policy changes in both the private and public sectors.

A critical component of the Initiative is its evaluation. The Annie E. Casey Foundation retained a team of researchers from Abt Associates and the New School University to conduct a multifaceted evaluation of progress in the Jobs Initiative sites. That team recently completed the "Cross-site Evaluation Report on the Capacity Building Phase" (March 1997-March 2000). Metis Associates provides technical assistance to the sites in developing



data collection systems and synthesizes the data across sites. Roberta Iversen of the University of Pennsylvania is leading a separate team to document the Initiative's impact on the workers and their children through ethnography. In addition to the "Cross-site Evaluation Report," the evaluation team and the Foundation have released numerous in-depth reports focusing on particular themes. This report synthesizes the mid-term evaluation findings and lessons of the Initiative and reviews them in a context of related research and current policy issues.

## Intentions, Premises, Structure and Strategies

### Intentions

The objective of the Jobs Initiative is to improve the way urban labor markets work for low-income, inner-city residents. It intends to improve the odds that disadvantaged parents get and keep the kind of jobs that enable them to support their families with their earnings. The Foundation's goals for the JI go beyond the families that will benefit directly from Foundation-supported programs. The Annie E. Casey Foundation anticipates that putting effective workforce development strategies in place will convince public policymakers and employers to make changes that will create career ladders for thousands of low-income workers in their region.

**Metis Associates**

The JI sites are required to specify quarterly outcome targets for recruitment, training, placement and retention. In 1996, the Annie E. Casey Foundation brought in Metis Associates to help the grantees develop efficient data collection and reporting systems. Metis Associates is a human services consulting organization founded in 1977 that has been providing technical assistance to the Annie E. Casey Foundation since 1988, when it participated in the evaluation of the Foundation's New Futures Initiative. In the early phase of the JI, Metis Associates facilitated information technology planning and supported implementation of a commercial software product still used by some of the grantees. Every quarter, Metis collects data from the sites and generates consolidated data files and reports. Metis developed and continues to oversee a quality assurance program that ensures quality data throughout the Initiative. Each site has its own database, maintained by an information manager at the development intermediary. Metis helps the sites to customize new database applications or enhance existing systems and helps them analyze their data. Metis also participates in setting data relevant policies (e.g., what counts as retention) across the JI sites.

*Metis Team: Robert Harrington and Simon Rah, New York, NY; Kim Huff, Granger, IN*

**Core Premises**

The JI is built on the value that disadvantaged people should have the opportunity to work their way out of poverty. These five basic program premises about how to accomplish that aim differentiate the JI from many other employment initiatives.

1. ***Quality of the job is key.*** Jobs must pay at least $7.00 per hour and offer benefits to be counted in the Initiative's evaluation database as a placement.[1] An underlying assumption, borne out during the economic boom of the last several years, is that many good jobs exist in the economy, but that inner-city residents need the connections and skills to get and keep those jobs.

2. ***Retention is even more important than placement.*** The JI recognizes that participants' main obstacle to stable labor market participation and advancement is not simply finding a job. Firm attachment to the labor market takes time, and a worker may have several jobs in his or her first years of working. Retention is indicated by limited gaps between jobs, generally no more than 30 days, and is associated with high wages and employer-provided benefits. Higher initial wages improve retention rates and the likelihood that the worker will ultimately attain family-supporting wages. These underlying principles are reflected in the JI's definition of retention: remaining in the labor market, rather than a particular job, for a year with no more than short-term gaps in employment. Any job change must pay at least as much as the previous job and provide equal benefits. The sites varied in the ways they operationalized this definition, however; a universally used calculation counts only those known to be retained. If a participant's status is not known, that participant is assumed to be out of the labor market.[2] This most likely understates the JI's retention rates compared to other projects and research.

3. ***Employers and disadvantaged job seekers are equal participants.*** Employers are regarded as essential collaborators in the Initiative. They are engaged in governing the JI in the sites, designing and developing training curricula and promoting systems reform.

4. ***The target population includes all disadvantaged job seekers in the region.*** While many employment programs limit eligibility, the JI includes women on welfare, incumbent workers, single men or any low-income resident in the region. The sites emphasize recruitment of younger workers, aged 18-35, because they are most likely to affect children's welfare, a priority for the Annie E. Casey Foundation. They also target residents from designated low-income neighborhoods (the Foundation requires that 50% of the participants come from these "impact communities") to ensure they are reaching the poorest neighborhoods. The JI is a regional rather than a neighborhood-based initiative; however, it ultimately seeks to affect the residents of low-income communities.

5. ***Systemic change is required to accomplish and sustain goals on a broad scale.*** A key dimension of the JI is that it works to proliferate reforms that benefit low-income wage earners throughout a region. It does not subscribe to one employment model but supports a diverse range of strategies. The Foundation seeks to change labor market outcomes for disadvantaged workers in the participating regions by: a) contributing to the integration of human services, training and education with workforce development; and b) promoting labor practices that are mutually beneficial to employees and employers.

[1] Some sites use even more rigorous definitions, for example Seattle only counts jobs that pay at least $8.00 per hour and is planning to raise the threshold to $9.00. St. Louis's Work Link project is the only project in the Initiative that tracks people placed in jobs paying less than $7.00 per hour.

[2] Retention data are tracked for at least a year (Seattle tracks for two years) in quarterly milestones of 3, 6, 9 and 12 months. "Eligible" participants at each milestone were placed in time to have had the potential to achieve the milestone. Rates are calculated based on the number of people known by the sites to be retained, divided by the total number eligible. If an individual's status is unknown, he or she is neither assumed to be employed nor disregarded in the analysis (dropped from the denominator). Thus, retention rates may understate actual retention.



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### Initiative Structure

In each of the six cities, "development intermediaries," the Annie E. Casey Foundation grantees, are responsible for implementing the JI. These intermediaries are entrepreneurial managers that contract with other organizations to achieve outcomes established in collaboration with their partners. They provide few direct services themselves. In New Orleans, the JI is a stand-alone organization formed to implement the JI. Similarly, the Milwaukee JI is a free-standing organization; activities in that site are implemented primarily by two partner intermediaries, the Wisconsin Regional Training Partnership and the Milwaukee Graphic Arts Institute. In other sites, the JI staff is housed within pre-existing organizations. In Philadelphia, the JI is part of The Reinvestment Fund, a community development financial institution. Seattle's Economic Development Department runs the JI there, and a regional planning authority, East West Gateway Coordinating Council, leads the JI in St. Louis. Finally, in Denver, the Piton Foundation, an operating foundation, has been the lead agency.[4]

The Initiative is carried out in three phases. After site selection in 1995, the six sites undertook an 18-month planning phase during which each site developed a Strategic Investment Plan—the game plan for the next phase. During the three-year Capacity-Building Phase that followed, the sites initiated and oversaw scores of projects and programs (and abandoned some). Strategies included contracting with community-based organizations for recruitment, case management and support services, developing soft-skills training programs, working with community colleges to design and implement vocational training, and partnering with workforce development organizations for job development. During the Capacity-Building Phase, as in all phases of the JI, the sites engaged in an intensive process of data-driven self-assessment and ongoing program refinement. Their progress from 1997 to 2000 provides the basis for this report. Now the sites are in or are entering the third and final phase (the sites are moving at slightly different paces), intended to continue through 2001, during which they will implement their policy reform agenda fully and advocate for institutional and systems reform.

[4] The Denver Workforce Initiative has decided not to proceed into the systems reform phase of the Jobs Initiative.

## Accomplishments

*The Jobs Initiative is reaching its target population*

By December 2000, the JI sites had enrolled close to 12,000 people.[5] As intended, nearly two thirds of enrollees are between 18 and 35 years old; just over half have children living at home; and close to half are from designated impact communities. Men and women are served in roughly equal numbers—an accomplishment during a time when employment resources for low-income people are mostly targeted to welfare recipients. Most participants served by the JI—over 80%—are people of color, and the vast majority, 62%, are African American.[6] Compared to the participants in the Job Training Partnership Act (JTPA) program in 1997, the participants are younger, more male, more minority, less likely to have a high school degree and more likely to be on public assistance.[7]

*The Jobs Initiative serves a hard-to-employ population*

The JI reaches a hard-to-serve population—harder than had been expected at the Initiative's outset. Thirty-five percent have less than a high school diploma. Close to 20% speak languages other than English as their primary language. Just less than half (45%) receive public assistance, and over half (59%) have annual incomes of less than $9,000. Eleven percent have no previous paid work experience.

[5] Unless otherwise noted, all data in the tables and text are supplied by Metis Associates and are for the period ending December 31, 2000. Enrollment is defined differently by different sites. In principle, a person is considered "enrolled" when he or she has been referred to a job-related activity and extends at least the first day of that activity.

[6] Abt Associates and New School University, 2000, pp. 16, 17.

[7] Ibid., p. 38.

*Jobs Initiative participants work more after enrollment*

Approximately 5,500 JI enrollees were placed in jobs, nearly 5,700 children had parents placed into employment through the JI. The evaluators' survey at 18 months after enrollment shows that 65% were working, compared to 25% when they enrolled.[8] Placed participants increased the average number of hours worked per week from 36 hours before placement to 39 hours after. Participants worked five more workweeks per year after placement through the JI.[9]

About half of those enrolled have not been placed in jobs through the JI. Additional analysis is needed to better understand the status of participants enrolled but not placed. As noted earlier, placements are generally counted only for those jobs that pay at least the minimum threshold established by each site (generally $7.00 per hour); therefore, some participants not appearing as placements may be working, but in jobs paying less than the sites' threshold wages. Alternatively, they may continue to be engaged in JI activities or have exited the Initiative at various points after enrollment.

*Jobs Initiative participants earn more after enrollment*

For those people placed in jobs through the JI, the average placement wage was $9.13. The most recent contacts with participants after job placement by

[8] Ibid., p. 78.

[9] Gewirtz, 2001, p. 1.



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the sites reveal that the average working participant has a retention wage of $9.66. In Milwaukee, over 900 people got jobs paying more than $10.00 per hour plus benefits. Participants' wages continued to increase after their first job to almost $2.00 an hour more than they had earned before enrollment, an average increase of about $4,000 per year for a full-time worker.[9]

*Advancement is a slow and circuitous process.*

The six JI sites have implemented 46 projects representing a range of strategies, from job placement to long-term job training for participants with varying levels of skills, barriers, work histories and education levels. Not all participants were able to attain high wages or wage growth. Overall, ethnographic data confirm the sites' milestone data that working participants are on upward income trajectories and that their children are better off.[10] At the same time, however, the ethnography sheds light on the complexity and vagaries of people's lives. The JI has made impressive progress toward ambitious goals. Whether these goals can be realized fully depends in part on the JI's ability to effect changes in the way workforce development services are provided in each of the sites and what happens in the larger policy and economic environment. Crucial policy questions include:

- Will Congress reauthorize flexible Temporary Assistance to Needy Families (TANF) block grants to the states at current funding levels?
- Will federal welfare and workforce legislation and local authorities support employment strategies that combine a work first orientation with basic skills, education and training?
- Can adult education and job training services be improved and funded so that they are more closely connected to the labor market and more consistently effective for low income people?
- Will retention and career advancement services be funded commensurate with their importance, and can human services agencies effectively integrate their services with the workforce system?

This report summarizes some of the evidence, recapitulates lessons learned and raises some of the issues that relate to these imminent policy questions. It focuses on six themes that have arisen as JI sites struggle to improve JI participant outcomes: 1) designing the right mix of employment strategies for low-income job seekers; 2) engaging employers in workforce development; 3) providing support services; 4) understanding the interface of soft skills and race; 5) improving retention and advancement; and 6) integrating JI principles into regional workforce strategies to benefit low-income workers throughout each region. We begin by looking at the importance of offering different strategies for different job seekers.

**Chronology of the Jobs Initiative**

- 1995: Jobs Initiative Application Process and Beginning of Two-Year Planning Phase. The results of the National JTPA study are interpreted by policymakers to imply that job training for disadvantaged workers does not pay. The California GAIN studies popularize rapid attachment ("work first") employment strategies that promote group job search as the most effective employment strategy and the philosophy that "any job is a good job."
- 1996: Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) reforms welfare, imposing much broader work requirements and a five-year time limit for welfare receipt. PRWORA replaces the federal Aid to Families with Dependent Children (AFDC) with Temporary Assistance to Needy Families (TANF) provided to the states in the form of block grants, and gives the states increased responsibility and flexibility for setting welfare policy.
- 1997: Three-Year Capacity Building Phase begins. Each site submits strategic investment plans. The economy is achieving record low unemployment rates, welfare caseloads are dropping precipitously and women on welfare are entering the labor force in large numbers. Annie E. Casey Foundation hosts two-day conference on race.
- 1998: Workforce Investment Act (WIA) replaces the Job Training Partnership Act (JTPA) as the authorizing legislation for the country's workforce development system. WIA's primary principles are one-stop employment services, customer choice in training services (vouchers), universal access to workforce development services by all workers and increased employer involvement. Fewer training and support services are available for the most disadvantaged workers.[11]
- 2000: Jobs Initiative sites are entering the Implementation Phase, also called the Systems Reform Phase. The economy is slowing down.
- 2001: Discussion and debates begin on TANF reauthorization. Congress must enact new legislation by October 2002 to continue federal funding for many of the law's provisions including TANF reauthorization.
- 2004: Jobs Initiative will end.

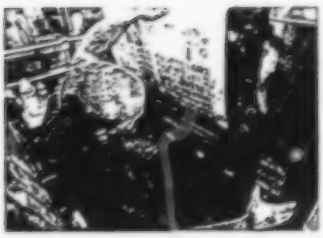
[9] Aspen Associates, 2000, p. 84.
[10] Sarvasy, May 1, 2001.
[11] Savner, 1999; Greenberg and Savner, 1998; Pindus and Savner, 2001.

# 1

# Different strategies for different job seekers

During the past decade, welfare and workforce development policymakers have turned away from employment strategies that invest in the skills and education of low-income job seekers toward strategies that emphasize job search and placement. The influential studies of the California GAIN program emphasized the importance of a work oriented welfare philosophy. At the same time, increasing welfare caseloads and tight government budgets steered welfare policymakers toward work first strategies that emphasize rapid attachment to the labor market through job search. This trend accelerated as the 1996 passage of welfare reform legislation increased pressure on local authorities to put welfare recipients to work and to do so within strict time limits. Nonetheless, evaluations of some projects, notably those of the widely known Center for Employment Training (CET) in San Jose, CA, underscored the benefits of employer-driven training. The JI was inspired in part by CET and influenced by prevailing theories.

The JI represents a variety of employment approaches within and among sites with an overall emphasis on soft- and hard-skill training. Denver places the most emphasis on a rapid attachment strategy. St. Louis's Work Link project emphasizes job readiness, while other projects in that city focus on short-term training. Seattle offers the most individualized approach through its case management service delivery



mechanism. Philadelphia offers both short- and long-term training options. While we do not have comparisons or long-term data to attribute outcomes to particular approaches, this section describes a few of the JI strategies, illustrates with selected projects, examines these projects' short-term (one-year) outcomes, and considers the JI experience in the context of other research and policy issues.

### Rapid attachment

A rapid attachment, or work first, employment strategy holds that, "any job is a good job and that the best way to succeed in the labor market is to join it, developing work habits and skills on the job rather than in the classroom."[17] A "pure" work first approach requires all program participants to engage in group job search as their first activity. The approach does not tailor its strategy depending on a particular participant's needs, aptitudes or interests, nor does it offer many services before placement.

Denver stands out among the six JI sites for its focus on rapid job placement.

[17] Seavey, 1999; Greenberg and Seavey, 1998; Pavetti and Seavey, 2001.

### More and More Preparation Needed by Jobs Initiative Participants

With the Jobs Initiative's emphasis on high-paying jobs with benefits and career ladders, the JI partners assumed that participants would need pre-employment services to improve their employment prospects. They but were taken aback by the demand they encountered. Welfare reform and low unemployment led those who could re-enter the workforce easily to do just that. The people who remained unemployed needed more services to overcome barriers to work. Between 1996 and 2000, the proportion of JI enrollees whose primary language was not English increased from 9% to 18%; participants with no previous work experience increased from 1% to 12%; enrollees who had received public assistance in the year before enrollment increased from 22% to 46%; and those with less than a high school diploma increased from 18% to 36%.

*Source: Abt JI Analysis Meeting, 3/5/01, Table 15*



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Table 1: Outcomes for selected JI employment strategies

| | Rapid attachment | Job readiness placement & retention | Short term job training: 6-8 weeks | Long term job training: 61* weeks* |
|---|---|---|---|---|
| Site | Denver JI placements | St. Louis Work Link | Milwaukee Manufacturing | Philadelphia PHAME* |
| # Enrolled** | 1940 | 1007 | 219 | 381 |
| # Placed | 868 | 518 | 187 | 128 |
| Current/last job wage at enrollment, if applicable | $7.99 | $6.80 | $7.73 | $8.76 |
| Average wage at job placement | $8.00 | $7.00 | $10.10 | $10.94 |
| Average last known wage post placement | $8.54 | $7.16 | $10.27 | $12.28 |
| Wage increase*** | 6.9% | 5.3% | 32.9% | 40.2% |
| 1 year retention (% of eligible)**** | 34% | 50% | 57% | 78% |

*The PHAME program (Philadelphia Area Accelerated Manufacturing Education, a training program for the manufacturing sector) is offered in three phases, not all participants complete all phases. Twenty-nine participants got jobs after completing only the first 13-week phase. Intro to Manufacturing. 60 people got jobs after completing the second phase, Basic Manufacturing, totaling 31 weeks, and 60 participants completed the full 61 weeks, including the third phase, Advanced Manufacturing.

**As noted earlier, some participants not appearing as placements may be working but in jobs paying less than existing minimum wage even. Some may be engaged in JI activities or may have exited JI weeks before enrollment.

***Calculated as the percent change between the current/last job wage before or at enrollment for participants who had entered and the average last known wage of a job placement.

[illegible] (see footnote 11 on page 7)

All participants are encouraged and helped to get a job. On average, the Denver participants are placed approximately five weeks after enrollment. They may receive some post placement follow up and referral services through Community Coaches, but few pre employment services are offered.[13] The Denver JI focuses much of its effort at the employer level, offering soft skills training for employees and supervisor training for employers. Denver developed a training program for new employees, *Workin' It Out*, and a curriculum for supervisors, *Managing to Work It Out*, for supervisors. Employers do not always avail themselves of this training, however, so the experience of many participants approximates straight job search/job placement.

As shown in Table 1, Denver achieved placement wages of $8.00 and one year retention rates of 34%. Denver's relatively low retention rates appear to be consistent with the finding that quick employment strategies show early impact on earnings and work that declines over time.[14] A report examining the unemployment insurance records of Denver's participants over two years found that both employment levels and earnings increase dramatically during the first and second quarters after enrollment; placed participants' earnings increased by an average of approximately $5,600 between the year before enrollment and the year after.[15] But earnings generally decrease beginning in the third quarter, and, by the second year, employment levels return to pre enrollment levels of employment.[16]

**Job readiness, placement and retention services**

Job readiness/job placement combines an investment in the preparation of job seekers with a quick employment orientation. For example, Work Link, one of the programs available through the St. Louis JI, provides chronically unemployed inner-city residents with a four-week intensive work skills course, job placement and long-term retention services. The program was designed for people who lack basic skills and often do not have a high school degree. Participants receive assistance with resume preparation, training on soft skills—attitude, timeliness, communication, conflict and anger management, appropriate dress and coping skills for dealing with racism in the workplace. This job readiness/job placement strategy is also offered in Philadelphia's Strive program and New Orleans's 21st Century Success Principles. Work Link is distinguished by its holistic approach and focus on retention. Participants are taught responsibility to family and community in every aspect of the program. They are expected to give back to their community, for example, through their church or children's schools. Multiple placements at a single worksite foster bonds among Work Link graduates; it is stressed that work performance will affect the prospects of future program participants. As much as 40% of the Work Link budget is dedicated to job

> Iyaphia Rogers of the New Orleans JI said, "It is most helpful to have a situation where people can work and study at the same time but not in a work first mode where everything is punitive. Rather, we try to support people working and going to school. It is happening in our health care training. People are doing well and building their skills."

[13] Abt Associates, 2001, p. 7.

[14] Heinrich, 1998, p. 9.

[15] Abt Associates, 2001, p. 20.

[16] Ibid., 2001, p. 11.





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placement and retention, and long-term supports are provided after placement.

Work Link has helped 540 people get jobs at an average hourly wage of $7.00 (Work Link is the only JI project that tracks job placements below $7.00 per hour). One-year retention rates are 50%. Seattle attributes its somewhat higher retention rates for people placed without hard skills training (57%) to its emphasis on case management. Other job readiness programs, for example those in Milwaukee and Philadelphia, emphasize job readiness with placement in targeted industries. These participants tend to be placed in jobs with higher wages.[17]

**Skills training**

The JI invested heavily in vocational training programs at a time when most policymakers were skeptical of the benefits of hard-skills training for disadvantaged workers. The training programs across sites share three common qualities that are important to their success.

*1 The JI sites identify and target industries based on their potential for high wages*

The JI sites train people for industries that have jobs to be filled, pay high wages to entry-level workers, offer opportunities for career advancement and provide health insurance and other benefits to their employees. During the Capacity-Building Phase, most sites targeted manufacturing and construction. Positions in office skills, health care, hospitality and finance, insurance and real estate (FIRE) were also targeted.

*2 Employers are engaged in training program design*

The JI sites treat employers both as customers and as partners, involving them in training programs and curriculum design.

*3 Participants are matched with appropriate training opportunities*

The JI sites find that job seekers are most successful in training if they

- want to go to a training program and are interested in the training offered;
- need training to get a well-paying job;
- possess the soft and other basic skills needed to participate effectively in the training (reading, math and/or language);
- can afford to spend the time in training; and
- can arrange for child care and transportation and have the mental and physical health and other fundamental issues of their life in order so they can show up every day.

Several JI sites provide up-front assessments and orientations to make sure the participants and training programs are good fits. Participants are sometimes assisted by the JI sites to resolve outstanding issues to help participants qualify for training. They have also modified hard-skills training to better suit the participants. For example, nearly all the hard-skills training programs eventually incorporated soft-skills instruction into the curriculum to address this pervasive need. Tom Rhodenbaugh, the director of the St. Louis JI, explained, "In all of our programs, we've increasingly put people in soft-skills training, even when we're involved in construction. Most of those training programs are five weeks and about half that time is spent on soft skills."

Spending time working without getting paid is a critical concern for people with little or no savings. The JI sites address this issue in different ways. PhAME Philadelphia's largest program during the Capacity-Building Phase and the lengthiest training offered through the JI, raised public money for training stipends. Other sites designed trainings to be as short as possible, in part because of TANF requirements. Still other alternatives offered were worker-friendly training schedules. Seattle is trying to secure education grants for participants. The Seattle JI started a Tech Talent training program in June that was lengthened to 22 weeks, in part to increase the likelihood that participants could be eligible for Pell grants.

Overall, the JI sites have been successful at placing training participants in high-paying, entry-level jobs that lead to wage growth over time. Most of the job training placements start at wages close to or above $9.00 per hour. As shown in Table 1, graduates of the PhAME training program for manufacturing jobs saw the most hourly wage growth (from $10.94 to $12.28) and had among the highest one-year retention rates (78%). Milwaukee's short-term training, also targeted to the manufacturing sector, yielded placement wages of over $10 per hour. Participant wages for both training programs substantially increased from pre-JI wages, Milwaukee by 33% and Philadelphia by 40%. We cannot attribute the participants' success to training without the benefit of comparison or control groups, and only long-term data will indicate conclusively whether these effects endure for the JI participants. However, the ethnographic data suggest that training has been of critical importance to families, not only for the skills participants learn, but also for the credential the training provides.

[17] A separate study also found this to be the case; see Welch 2001, p. 13.

For certain participants, particularly those with the aptitude to benefit from the training offered but who lacked the skills and/or social capital to get a good job, targeted skills training makes a critical difference. Reputable training programs provide graduates with a legitimacy that may be crucial to overcoming criminal records, histories of substance use, lack of educational credentials and spotty work experience.[21]

**Implications of the JI experience with different employment strategies**

It is not possible to draw definitive conclusions about the effectiveness of particular employment strategies based on the JI data, because so many variables affect wages and retention rates. In particular, qualifications of the job seekers placed have a large impact. For example, PhAME's enrollees were more likely to have high school degrees than either Denver's or Work Link's, which may explain some of the wage difference. Table 1 shows that PhAME's participants had worked at relatively high-paying jobs before enrollment in the JI (average pre-placement wage was $8.76), while participants of Work Link who had worked before enrollment earned much less (average of $6.80). Likewise, wage scales vary widely among the cities. It is also noteworthy that, in other research, the most significant impact of programs emphasizing skill development is sometimes not evident until two to three years after enrollment. However, the following observations made by the JI intermediaries are borne out in the data and are generally supported by the research.

- JI experience shows that programs that include job readiness, job training and job retention services lead to better retention rates than job search alone. Research findings affirm that the most effective employment programs provide job search as part of an assortment of employment-focused strategies that are tailored to the individual.[22] Quick employment programs consistently increase employment and average earnings and reduce welfare payments, but these program effects diminish after the first one or two years and, in job search-only programs, disappear after three or four years.[23]
- St. Louis's Work Link and Seattle's experience suggest that using a case management approach that addresses employment goals by helping individuals resolve other issues in their life before and after placement improves the outcomes of job readiness programs.
- Across the JI sites, it was found that job seekers need the aptitude, interest and means to benefit from training. Rigorous evaluations find that programs have the most impact when they get people into training who otherwise would be least likely to qualify, suggesting that concerted effort may be warranted to prepare hard-to-employ participants for skills training.
- Earlier research on job training for disadvantaged workers is inconsistent. It suggests that occupational training can help low-income workers into better jobs, but that goal often has not been realized.[24] In the JI, training that targeted high-paying industries and involved employers saw wage increases and high retention rates. Inconsistent research results from other training programs suggest that the quality of the training matters a great deal.[25]
- Job placements that targeted industries based on their pay scales and opportunities led to higher wages for JI participants, whether or not they participated in hard-skills training. The careful industry selection by the JI bodes well for the longer-term prospects of the participants. Different initial occupations are associated with differing poverty rates over time. A national study that explored the relationship between occupations the first year after leaving welfare and hourly wages in the fourth and fifth years found that, compared with those who began working in sales, women who started out in clerical positions earned 22% more per hour; those in production, manufacturing, cleaning or maintenance earned 17% more per hour, and those in private care (health care, child care) earned 15% more per hour.[26]
- Job training provides a credential that can move disadvantaged job seekers up in the queue for high-paying jobs.
- Some job seekers who are not ready for training may be helped to become good training candidates with holistic assistance that addresses soft skills, basic skills and preparation about the demands and experiences expected from training and different occupations.

Supported by the research, the JI experience suggests that policymakers concerned with low-wage workers are well advised to invest in quality, industry-focused job readiness and job training programs that take the individual job seeker into account.

In this section we reviewed JI strategies for working with job seekers. In the next section, we focus on the strategies for engaging the other consumer of workforce development programs—employers.

[21] Nerison, May 3, 2000, p. 18.

[22] Strawn, 1998, p. iv.

[23] Compared to a control group that did not receive program services. Strawn, 1998, p. v.

[24] Strawn, Martinson, 2000, p. 73.

[25] Ibid., p. 73.

[26] Ibid., p. 19.

# 2

# Getting to know the boss

All the evidence about employment programs suggests that employer connections are critical. The intense relationships that some JI sites have established with employers offer some insights about why these connections can make such a big difference. The Milwaukee JI provides an instructive example about how deep engagement with an industry sector can lead to practices that are beneficial to both employers and employees.

## Milwaukee
## Using a sectoral strategy

"A sectoral employment program targets an occupation (or a cluster of closely related occupations) within an industry, and then intervenes by becoming a valued actor within that industry—for the primary purpose of assisting low-income people to obtain decent employment—eventually creating systemic change within that occupation's labor market."[7]

The Milwaukee JI site provides a good case study of a sectoral initiative. While it has origins in organized labor, a key philosophical and practical principle of the Milwaukee JI is to have both labor and employers at the table at every stage of every project. The initiative contracts with the Wisconsin Regional Training Partnership (WRTP) and the Milwaukee Graphics Art Institute (MGAI) to develop programs that open the doors to low-income, inner city job seekers and help entry-level workers advance. The WRTP is a membership organization comprising about 70 manufacturers and unions that provide training, education, employee assistance

### Tips for Engaging Employers

- Involve employers early in the process.
- Make calculated judgments about when to push an employer to make a risky hire; it's especially important to make the first match one that sticks.
- Challenge restrictive hiring policies. Employers can be convinced to revise hiring policies to prioritize job-related competencies over traditional requirements; a few successes hiring ex-offenders or people without a high school diploma can move employers to rethink long-standing policies that categorically prohibit these hires.
- Educate business leaders about the cost of turnover. Firms spend a lot of money on recruitment and often do not realize what they can do to improve retention of entry-level workers.

and pre-employment services. MGAI provides training to employees working in the printing industry.

The manufacturing and printing industries were targeted by the Milwaukee JI for their high-paying entry-level jobs (they all pay at least $3.00 an hour more than minimum wage), their opportunity for career advancement, and their need for labor. Firms in these industries traditionally hired through word of mouth, and their workforce included mostly white men. Employees' sons were less interested in manufacturing jobs, so the networks were not generating enough employees. Meanwhile, the firm's workforce was aging out. Because these firms need workers, they were willing to engage with the Milwaukee JI, and, although the path was not always smooth, the industries opened their doors to low-income and minority job seekers in the JI.

[7] Clark and Dawson, 1995.

Following are some of the ways the JI worked with employers to give them what they want and, sometimes, to re-educate the employers about what they need to maintain a diversified workforce.

**Designing curriculum**

"Skills standards" can be dirty words for employers. They all think they need custom-designed training," according to Caroline Schultz, Program Director for the Milwaukee JI. The JI's WRTP manufacturing project facilitated a painstaking process to develop an entry-level curriculum for firms that sought tailor-made trainings for specific openings within their firm. "First, the WRTP worked with individual firms and Milwaukee Area Technical College to handcraft curricula for their jobs. Then WRTP went back to the employers and showed them the overlap between skill sets among several firms. Eventually, we succeeded in showing employers how close their curricula were; the end product was the Entry Level Manufacturing Skills Curriculum (ELMS)." Now, local manufacturers who request entry-level, customized skills training use ELMS. The curriculum includes hard mathematics, mechanical and shop floor aptitudes and "essential skills," including basic soft skills like how to manage work- and attendance-related problems, how to dress for production work and what to expect from the workplace, coworkers and supervisors. More job-specific hard skills are taught on the job. The JI can use the employer commitment for on-the-job training as the employer match to qualify for Workforce Investment Act (WIA) funding.

**Hiring training graduates**

Employer commitments to hire training graduates help raise funds for training under the current workforce development system. An unusual feature of the Milwaukee JI is that the employers typically select training participants before they start training. This employer commitment helps the organizations get funding for training (each slot costs about $1,500-$2,000 for four- to eight-week classes). The up-front commitment also means that training is highly valued by both employer and participant; almost no one drops out of the MJI's trainings (the retention rate in training is over 90%).

**Establishing mentoring programs**

The JI partners are working with about 15 firms to establish networks of mentors as sustainable, on-the-job support systems. The Initiative encourages firms to recruit mentors on each shift and involve all levels of workers, supervisors and managers in creating and sustaining the program. MJI has developed training manuals for companies interested in developing these networks.

**Creating employee documents, orientations and shop-floor training**

The MJI works with companies to review or create readable policies and procedures and other documents for their workers. The documents may include safety information, union information, plant rules and regulations, consequences of rule violations, disciplinary procedures and the like. The JI also helps companies develop new worker orientation plans and on-the-job training. Training for shop-floor trainers includes subjects such as communication skills and new worker's learning styles. These strategies improve retention by increasing safety and job quality.

Not only do Milwaukee manufacturers put up with the outside scrutiny of the WRTP, but they also pay for the service. "The WRTP charges employers for its technical assistance, for example, for developing training, but then they will reduce or waive their fees in exchange for sourcing jobs to the WRTP or for allowing WRTP staff to work closely with employers' new hires," says Caroline Schultz. Through these strategies and others, MJI has been able to place over 1,100 people in jobs. Those workers earn average starting hourly wages of $10.74, and their 12-month retention rate is 56%.[29] What's more, through close relationships with employers, the WRTP and MGAI have assisted the manufacturing and printing shops to develop more employer-friendly policies and to become accessible to an inner city.

**Who Are the JI Employers?**

Over 2,100 employers hired JI participants. By and large the firms were small—over half have 50 or fewer employees, but 10% of the firms have 500 or more (while only 0.25% of employers nationwide have over 500 employees).[28]

- Employers played a number of roles in the JI in addition to hiring JI job seekers—for example, they participated in project and curriculum design and review, as training providers and investors, and on governance boards and policy/advocacy committees.
- The highest rates of retention are in the hotel and F I R E (finance, insurance and real estate) industries (one-year retention rate of 64%).
- The highest wages across all the sites were consistently in the construction trades, but construction jobs are often seasonal and subject to the starts and stops of a particular job.
- More than 500 employers hired more than one JI participant.

[28] Aja Associates, 2000, p. 40

[29] See footnote 2 for the definition of retention.





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Table 2: Number of employers and number of placements by industry sector

| Industry | Employers | | Placements | | Average initial placement wage | Average last known wage post-placement | Percent retained at 12 months |
|---|---|---|---|---|---|---|---|
| | Total N=2152* | | Total N=5510 | | N=5507 | N= 5496 | N=3729** |
| | # | | % of N | | # | % of N | |
| Construction | 258 | 12.0% | 477 | 8.7% | $12.25 | $12.68 | 52.0% |
| Manufacturing | 309 | 14.4% | 1,288 | 23.4% | $9.60 | $9.96 | 55.9% |
| Retail | 323 | 15.0% | 523 | 9.5% | $7.87 | $8.06 | 51.0% |
| FIRE | 96 | 4.5% | 208 | 3.8% | $9.49 | $9.89 | 64.2% |
| Services (except health, hospitality) | 447 | 22.92% | 1,223 | 22.2% | $8.45 | $8.75 | 51.7% |
| Hotel | 63 | 2.9% | 182 | 3.3% | $7.79 | $7.84 | 60.8% |
| Health | 198 | 9.2% | 630 | 11.4% | $8.20 | $8.43 | 45.4% |
| Others | 305 | 14.2% | 708 | 12.8% | $9.09 | $10.24 | 60.0% |
| Missing | 125 | 5.8% | 271 | 4.9% | $9.67 | $9.25 | |

* The N or the distinct count of all employers does not equal the sum of the employers count by industry (2169) because some employers have been coded with multiple SIC codes.

** The N of 3,729 is the number of participants placed long enough ago to be eligible for 12 months of retention.

minority workforce. The JI is now working with the WRTP to expand into hospitality, information technology and health care.

In the process of becoming engaged with employers, the JI sites are able to learn what employers really want — beyond what they say they want. For example, it is common wisdom that employers just want job candidates with good soft skills. The sites found that what employers say they need often does not accurately cover the gamut of skills they expect. Margaret Berger Bradley, Philadelphia JI Director, explains, "We talk about entry level jobs. Employers say, 'Just give me someone with a good attitude who is ready to work.' They take it for granted that people have basic math skills. We can send them hard-working, enthusiastic people, but if they don't know basic math and have good communication skills they won't succeed on the job. We learn what employers really want by talking to workers and supervisors, and really getting to know the needs of the business. Then we develop skills standards and we build a curriculum from there."

Similarly, JI sites find it curious how much businesses spend on hiring and how little they think about retention, particularly for entry-level workers. Employers may be resigned to the costs of turnover and not know how to reduce them. JI sites educate employers about turnover costs and sometimes convince them that they can lower recruitment costs and improve retention by implementing worker-friendly policies.

Given the large investment of time JI sites spend cultivating and nurturing employer relationships, it is most efficient to place many participants in a single firm. The majority of employers (71%) hired only one JI participant. However, almost 40 employers hired between 10 and 20 participants, and another 39 hired more than 20 participants. Many of the firms hiring multiple participants were manufacturing firms. While manufacturing firms represent only 14% of the total employers engaged, the manufacturing sector has nearly a quarter of the JI's placements, and these are among the highest paid positions across the sites (Table 2). More investigation is needed to develop strategies for securing multiple placements with employer partners.

The JI has had the luxury of operating during tight labor markets in most of the six cities. Companies needed workers. Clearly, this afforded the Initiative an advantage in engaging employers. In addition, several sites are able to build relationships that go beyond the most basic overture, asking firms to hire JI participants. They get to know employers needs as well as they know job seekers' needs, so they are able to educate employers about the costs of turnover and the benefits of implementing worker-friendly practices.

One aspect of the JI that most firms have not become involved in is provision of support services. These important services are largely in the purview of community-based organizations. We turn to this important issue next.

# 3

# Integrating support services into workforce development

There is increasing awareness in the workforce development and welfare arenas that a host of supports are needed to help disadvantaged workers into the labor market. Support services ameliorate barriers to work, including family problems, health issues, addictions, criminal records and, most often, transportation and child care needs. However, systems are still evolving to determine how these services are to be provided and paid for.

The JI experience suggests that for low income workers to attain self-sufficiency, the workforce system needs to be better integrated with human services, education, transportation and other public systems. While it is appropriate and constructive for workforce programs to assume a case management role, referring people to needed services that will support their employment goals, it is not possible or cost efficient to duplicate all the services provided by other agencies within the workforce system itself. Nevertheless, in practice, it is extremely difficult to align agencies with differing goals, funding streams and bureaucracies to create a seamless support structure for the client.

The Seattle JI, which stands out for its early focus on establishing support services, illustrates this point.

## Support Services in Seattle

When the Seattle JI was formed, its first task was to interview over 3,000 community stakeholders to find out what they wanted. One of the top four priorities was to get support services to help new workers stay employed. From the start, the Seattle JI contracted with community based organizations to provide recruitment and case management services. The case managers assess participants and refer them to services and training and provide ongoing support services while they are in training or on the job. Case managers act as the mentor, coach or colleague that many participants do not have. The case managers are someone to turn to with problems like, "My boss is racist," or "My supervisor is a 23 year old right out of college and doesn't understand my child care problems." They help working participants access child care.

## Case Management Best Practices and Standards

During the last year, the Seattle JI and its community based partners formed a work group to figure out how to raise retention rates. JI's technical assistance partner, Jobs for the Future, helped collect best practices from around the country, and the work group participated in a number of trainings. This process culminated in a manual on "Case Management and Retention Best Practices and Standards." The manual includes basics on case management, including referral, assessment, supervision, staff development and a training piece about referral to mental health or drug treatment. It also has a section on placement and retention that addresses frequency of client contact, level and type of service needed related to work maturity. The manual is likely to be very useful to other JI sites and employment programs outside the JI.



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subsidies, go to court to address fines or debts and help participants get a driver's license or make a plan to pay child support.

Beyond counseling and referral, participants need readily available services, money for the bus, even emergency help with housing and heating bills. Ideally, other government agencies would be able to provide these services as flexibly and rapidly as they are needed to effectively support participants' career goals. However, other agencies are not necessarily tailored to the needs of job seekers. To solve this problem, the Seattle JI purchases services through contracts and created a Career Investment Fund with money from the city's general fund. The fund is available to active Initiative participants, about 1,000 people, though over half do not use it at all. Overall, the Seattle JI has found that the most frequently used support services are transportation, food, clothing and child care information and referral. While not the most used, housing is the most expensive service.[12]

[12] Interview with Daniel Hartge, Seattle JI Site Director.

Support services cannot take the place of a good job match, high pay or a job that works for the family. But Seattle and the other JI sites find, and evidence from the ethnographic research corroborates, that human services are an essential support to employment goals and should be organized as such. In an ideal world, city services would be aligned such that self-sufficiency goals for low-income residents would be part of the agenda for all agencies serving the poor. Human services agencies (mental health, drug treatment, child care) as well as housing, transportation and education departments would support employment outcomes.

As it stands, the current policy and funding environment make it difficult to pay for and provide long-term support services. Welfare policies most often are geared toward clients who are on the rolls, and many services are withdrawn soon after the welfare recipient goes to work. The workforce system is also in a state of upheaval; it is unclear how the WIA will affect support services in the long run. As the JI turns to system reform, funding for supportive services to promote job readiness and retention will likely be a critical issue for most JI sites, as it is for workforce development programs around the nation.

**Seattle Support Services Budget**

| | |
|---|---|
| Housing | $190,000 |
| Transportation | $80,000 |
| Food & clothing | $50,000 |
| Child care info and referral | $55,000 |
| Saturday events | $15,000 |
| Subsidies | $12,000 |
| Sick child care | $ 5,000 |
| Mental health | $35,000 |
| Training-related books transportation | $20,000 |
| Miscellaneous *(car repairs, eyeglasses, dental, drug testing, substance abuse assessments)* | $30,000 |
| **Total:** | **$492,000** |

*Source: Seattle JI*



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# 4

## Race and soft skills

*The Jobs Initiative should show people how to act around other people—proper etiquette and behavior to be in job situations—how to take orders, how to be low man on the totem pole. In my class, C. and J. also got jobs at Steel Mill & Foundry, but they didn't know how to act and they got fired. There's a certain code of ethics and rules in the workplace. It's the owner's house. There's a dress code. You have to know what to wear . . . . I learned that from my mother, but a lot of other people didn't, they need that kind of counseling. People need to know how to keep their personal from their work life. They have to learn what the expectations are for you at work. They need to know what language to use, what manners to have.*[17]

[17] Interview, May 3, 2000, p. 21.

The JI participant (quoted at left) is describing what the workforce development field refers to as soft skills. The late Darryl Burrows, former New Orleans Site Director, helped inspire those in the JI to confront soft skills and their relation to racial issues. He understood that "soft skills" are "the reasons most people get fired: not showing up for work, showing up late, showing up not ready to work, either sleepy, hung over or not properly dressed, being hostile to supervisors, being rude to customers, disobeying direct orders, lacking in production."[18] Economists Phillip Moss and Chris Tilly define soft skills as "Skills, abilities and traits that pertain to personality, attitude and behavior rather than to formal or technical knowledge."[19] Most employers include soft skills among their most important hiring criteria,[20] stressing those that relate to interaction and motivation.[21]

By definition, soft skills are subjective qualities. Unlike a hard skill—"can you type 65 words per minute?"—soft skills are difficult to assess. Two different employers, by virtue of their different perspectives, experience and professional, might make different judgments about whether a worker has the requisite soft skills to succeed on the job. Soft skills are associated with cultural norms, as the participant quoted above points out, knowing the code of ethics in "the owner's house."

[18] Williams, 2001.

[19] Conrad and Leigh, 1999, p. 7.

[20] Annie E. Casey Foundation, 2001, p. 5.

Recognizing that different racial, ethnic and socio-economic groups also represent different cultures, the JI sites came to realize that not only did the workers need to learn the codes of behavior required to succeed in the workplace, but employment staff and employers also need to learn cultural competencies to reduce the potential gaps in understanding.

The issue of soft skills and race comes up in the JI sites in several ways. Over 80% of enrollees in the JI are non-white: African Americans represent over 60% of enrollees, 13% are white, 11% are Hispanic, 8% are Asian or Pacific Islander and 2% are American Indians or Alaskan Natives (Table 3). The majority of JI participants, more than originally anticipated, require soft-skills training to succeed on the job. Sites find that soft-skills training is most effective if it addresses the issue of race head-on. Staff does not always match the demographic profile of the participants, and they, too, may need training in cultural competency. Employers also need additional soft skills to effectively recruit, manage and retain a more diverse workforce. This gives them the skills to do their part in bridging the cultural gap. Finally, some employers' hiring practices are tainted with racial and ethnic stereotypes that create barriers to hiring. New workers need to be alert to racism in the workplace and develop their skills to assess whether and how to confront it.





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*Disadvantaged workers need to learn soft skills to succeed in the workplace*

Many inner city residents do not have enough working role models or exposure to workplace culture.[7] Further, people who have not worked steadily have less opportunity to develop good work habits. Finally, ethnic and racial tension, a pervasive feature of the American landscape, is part of the workplace.

In New Orleans, public housing residents are isolated by lack of public transportation and pervasive stereotypes, and they do not have many working role models. So the New Orleans II developed a curriculum, "21st Century Success Principles," to help participants learn workplace culture and, at the same time, name and address the racism head on. "We have a whole day about navigating workplace racism as part of our training," Jyaphia Rogers, New Orleans II, stressed. "Our take is, if you feel that there is workplace racism, you're probably right. And it is important to know that you have to make rational decisions about when to take that on and when to navigate around it." The curriculum was created involving employers and public housing residents. That site had to confront perceptions that most businesses were resistant to hiring people from the public housing community. In the process, it developed stronger relationships and better communication with employers. Unlike the tough love approach of Strive, a widely replicated soft skills training program, 21st Century offers a contextual learning approach adopted from Edward Deleau's concept of an awakening.[8] The screening process involves asking participants questions such as: Do you want to change your life?

*Employers need skills to recruit and retain a more diverse workforce*

America's labor pool is increasingly composed of people of different races, ethnic backgrounds and nationalities who speak many different languages. Women may show up at traditionally

[7] Alvin Tillis

[8] Edward Deleau, President of the Youth Development and Research Fund, Inc., and the author of publications on youth employment, has been an advisor to the JI on cultural competency.

male-dominated workplaces. Particularly in a tight labor market, employers are more willing to overcome obstacles, change practices and recruit employees from diverse groups. The shop needs a women's bathroom. The non-English speakers can be paired with bilingual employees.

In Milwaukee, "Employers often bring up the issue of race first," according to Caroline Schultz. "In large part, this is due to their high demand for workers. They want to know how to recruit from the South Side of Milwaukee where a

**Table 3: Milestones for racial and ethnic groups across all Jobs Initiative sites**

| Race/ethnicity | # Enrollees | # Placed in jobs | % of enrollees placed | Average placement wage | % Achieving 6 month retention[9] | % Achieving 12 month retention[9] |
|---|---|---|---|---|---|---|
| African American | 7,241 | 3,411 | 47.1% | $9.14 | 61.8% | 51.7% |
| White | 1,560 | 688 | 44.1% | $9.78 | 60.6% | 48.6% |
| Hispanic | 1,322 | 714 | 54.0% | $8.92 | 62.2% | 49.2% |
| Asian/Pacific Islander | 904 | 463 | 51.2% | $8.98 | 86.0% | 80.5% |
| American Indian/Alaskan Native | 282 | 103 | 36.5% | $9.37 | 53.2% | 39.5% |
| Other | 100 | 43 | 43.0% | $10.74 | 78.6% | 57.7% |
| Multiethnic | 181 | 58 | 32.0% | $9.58 | 66.0% | 60.0% |
| Missing | 252 | 30 | 11.9% | $8.60 | 50.0% | 29.4% |
| Totals | 11,842 | 5,510 | 46.5% | $9.13 | 63.9% | 53.4% |

[9] See footnote 2 for the definition of retention. [10] Ibid.

**Racial/Ethnic Composition of JI Sites**

In Milwaukee, New Orleans, Philadelphia and St. Louis, most Jobs Initiative participants are African American. In Denver, participants are half African American and about 30% Hispanic. Seattle is the most diverse site: 42% of participants are African American, 18% are Asian, 22% are white and 9% are Hispanic.

lot of Latinos live. Then they need to retain these new workers. And they need to know how to get established workers and newer workers to work well together." The Milwaukee JI helps with these issues through its workplace interventions and mentoring program. According to Laura Dresser, Milwaukee JI, "One company CEO, having opened up company hiring, went and had meetings with the police chief to stop the police from continually stopping their employees on their way to work." That CEO became more aware of systematic barriers to his newly diverse workforce.

***Some employers' hiring practices interfere with hiring a more diverse workforce.***

Employers may associate certain behaviors with race and apply stereotypes as a shortcut in decision making. Sometimes employers mask their prejudices as concerns about soft-skills preparation. In St. Louis, overt racism called for direct action. One of the St. Louis contractors, Better Family Life, was involved in picketing white construction contractors for refusing to hire African Americans for highway construction. As a result, the St. Louis JI was able to make some progress in getting African Americans jobs in the construction trades.

Burrows was rare in his ability to speak eloquently and directly about racial issues in a way that employers would not find threatening. "You're going to see a big black guy walking in, and that's going to be scary for you, but that's going to be scary for him, too." In most cases, JI partners do not talk to employers directly about race. They talk about the qualifications of the candidate and the requirements of the job. They negotiate job entry requirements. For example, Carol Hedges, a Denver Workforce Initiative administrator, recalls a Colorado manufacturer who for years had required a high school equivalency diploma for certain positions. However, a survey conducted by the JI determined that the actual tasks required for the work at this job site called only for an eighth-grade education. "The site convinced the employer that the lack of a diploma did not mean a lack of skills or good work ethic. After a few successful placements, the employers became advocates of the program. "There is nothing better than success stories and leadership in the business community who can explain why this is to their economic advantage and bottom line," says Ira SenGupta, a cultural competency training manager with the Cross Cultural Healthcare Program in Seattle.*

***How did different racial and ethnic groups fare in the Jobs Initiative?***

It is not possible to tease out the effects of racially conscious programming on retention rates or job performance. It is interesting to note that the highest rates of job placement in the JI are among Hispanics (54%), Asian Pacific Islanders (51%) and blacks (47%). Forty-two percent of white enrollees were placed in employment, as were 39% of American Indians/Alaskan Natives (Table 3). According to the evaluation team's survey of participants 18 months after their enrollment in the JI, the rate of employment increased between the time of enrollment and the time of the follow-up survey for all racial groupings. African Americans experienced the lowest rate of employment, both at enrollment in the Jobs Initiative and 18 months later. However, the gap between the employment rates of African Americans and those of other racial groups decreased over time.

The most pertinent lesson about soft skills and race is that disadvantaged job seekers need to develop the cultural competencies and work habits that will enable them to succeed on the job. Among the skills they need are ways to confront racism in the workplace. Employers, supervisors and managers also need training to effectively recruit, hire and manage a more diverse workforce. Likewise, staffers of employment programs need cultural competencies to do their jobs effectively. The JI demonstrates that employment programs can open up workplaces traditionally denied to people of color through strategies that address both employee and employer deficits. This is particularly true in a tight labor market.

* Annie E. Casey Foundation, 2001, p. 11.





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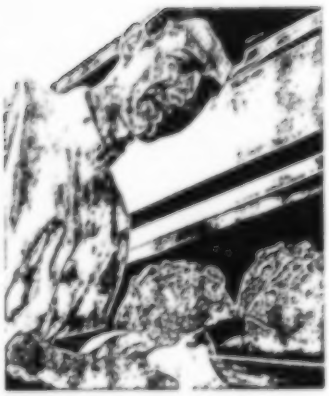
# 5

# Retention and Advancement

As record numbers of welfare recipients have left the rolls to go to work, the research about low-wage earners increasingly turns to retention and advancement issues. The JI is helping thousands of disadvantaged workers to find and keep well-paying jobs, fulfilling one of the first conditions by which employment can lead families out of poverty. This section reviews the progress of the JI's participants since their enrollment and offers some lessons about retention and wage growth.

***Welfare leavers and low-wage workers generally work more over the long term, but their wages do not increase substantially***

The research about women who leave welfare is pretty grim. Welfare leavers typically work at jobs that pay near the minimum wage, and they continue to live in poverty.[42] The most recent data show that for parents who left welfare between 1995 and 1997 (about the time the JI began), more than half (61%) were working for an average of $6.61 an hour, and fewer than one-fourth had access to employer-sponsored health insurance.[43] While they work more each year after they leave welfare, their wages remain stubbornly low, even after years of work.



particularly for those who start out in low-wage jobs.[44] Similarly, the JTPA studies document 30-month wage increases for adult participants and a control group. They find that the earnings increased for both groups, not because they earned higher wages but because they worked more.[45]

***By contrast, Jobs Initiative participants' earnings increase due to both wage growth and more hours of work.***

- For the 5,500 people placed in jobs through the JI, the average placement wage for all sites was $9.13, the average last known wage after job placement for these participants was $9.66. For year-round workers, this translates into annual earnings of nearly $20,000. At the time of his or her enrollment, the average participant who had worked before the JI earned an hourly wage of $8.06. Few worked full time or year-round, and most did not receive employer-sponsored benefits.
- Though the JI's high placement wages were not achieved by all participants, high wages are optimistic signs about future wage growth for those participants who did attain them. Studies of welfare leavers find that higher average wages lead to more wage growth in the future, while low wages often do not grow at all.[46] Seattle's data (which reflect longer-term tracking than most sites) show the most wage growth (8%), from an average placement wage of $9.62 to last known wages of $10.36.
- Participants increased the average number of hours worked from 36 hours before placement to 39 hours at placement and last known job. JI participants worked five more work weeks per year after enrollment than they did before.[47]
- Only 32% of JI participants had health benefits at the time of enrollment in the Initiative, while 83% of participants received employer-sponsored benefits when they were placed in a job. (However, just less than half the time [48%], health coverage included the entire family.)

[42] Lafferty, Roberts and Stoker, 2001, p. 5.
[43] Ibid.
[44] Ibid.
[45] Bloom et al., 1994, p. 17.
[46] Strawn and Martinson, 2000, p. 18.
[47] Cowell, 2001, p. 3.

**Table 4: Living wage standards for selected JI sites**

| | Living wage standard for single adult | Living wage standard for single adult with 1 school age child and 1 infant | Living wage standard for single adult with 1 school age child and 1 pre-schooler | Average last known wage for site |
|---|---|---|---|---|
| Milwaukee[a] | $6.90 | $20.12 | N/A | $11.09 |
| Philadelphia[b] | $7.10 | N/A | $15.05 | $9.01 |
| Seattle[c] | $10.43 | N/A | $17.58[d] | $10.36 |
| St. Louis[e] | $6.15 | $13.55 | $12.85 | $8.07 |

[a] Wider Opportunities for Women, 2000. [b] For one adult with two children. But children age not specified.
[c] Pearce and Brooks, 1999. [d] East West Gateway Coordinating Council, 2000.
[e] Iversen, 2001.

*One-year retention rates were strong*

It was a premise of the JI that higher pay at job placement would lead to longer retention. The JI was one of the earliest initiatives to focus on and measure retention beyond the JTPA standard of 90 days. Retention rates in the labor market were fairly strong for JI placements, particularly in light of the JI's rigorous definition of retention.

- As of December 31, 2000, the average retention rates for those who had been enrolled long enough to have reached these benchmarks were: three months, 76%; six months, 64%; and one year, 54%.
- Several projects achieved particularly high 12-month retention results:

| | 1 Year Retention Rate | Starting Wage |
|---|---|---|
| St. Louis Business Services | 83% | $ 8.73 |
| Philadelphia PhAME | 78% | $12.28 |
| St. Louis Construction | 77% | $11.23 |
| Philadelphia Medical Office Admin | 76% | $10.74 |
| Seattle Electronics Assembly | 68% | $ 8.86 |
| Seattle Office Occupations | 69% | $10.53 |
| Philadelphia Data Intensive | 69% | $ 7.79 |
| Seattle Automotive | 65% | $ 9.67 |

- About 45% of JI participants were in a household where someone received public assistance in the year before enrolling. These participants were just as likely to get a job as those who had not relied on public assistance (44% and 45%, respectively), and their average one year retention rate was 51%. In Philadelphia, participants who had received public assistance achieved 60% retention rates at one year, and, in Seattle, they achieved 56% retention rates. These retention rates far exceed the typical welfare to work 12-month retention rate.

*...and participants are better off*

The JI sites seem to have defied the odds in helping low income wage earners get and keep high-paying jobs. In the short term, these families have seen some wage progression, signs of hope that they will be able to work their way out of poverty. The ethnographic research suggests that these working families are better off, yet emphasizes that the climb out of poverty is seldom linear. In most cases, children experienced benefits, from more material goods to new safer neighborhoods. In some cases, children were retrieved from foster care and enrolled in therapeutic services that corrected developmental delays. Parents experienced benefits other than increases in skills and wages. Their "second chance" career pathways instilled pride, increased their self-esteem, brought additional supports into their lives and gave many of them greater ability to negotiate systems and institutions. These and other intangibles worked individually and incrementally to increase children's welfare.[48]

[48] Iversen, May 3, 2001, p. 12; Iversen, May 24, 2001, p. 14.

*...but JI participants are not necessarily out of poverty yet*

One of the JI's ultimate goals is to move very disadvantaged workers out of poverty. The JI did not adopt standards for living wage or self-sufficiency income, nor does it track participants against these benchmarks. However, by looking at independent standards of self-sufficiency established for the cities, we get an idea about whether participants are meeting them and put the JI wages in the context of local costs of living. These standards are calculated by estimating the costs for housing, child care, food, transportation, health care and miscellaneous expenses and determining the wage that would be needed to cover those expenses after taxes. While living wages are calculated according to the minimum expenses for particular family compositions, the JI has not tracked wages according to family size. These calculations assume eligible earners are receiving the Earned Income Tax Credit and Child Care Tax Credits, though some qualified initiative participants may not receive these benefits. While we may know the JI participant wage, we do not know the wages of other earners in the household. The household types selected for this table are somewhat arbitrary since we do not know a typical or most occurring household type in the JI. Admitting that we are comparing apples and oranges, we take a cautious look at Table 4 to make some observations.

It appears as though, for four JI sites, single adults receiving the average JI retention wage in their city would be earning close to or above the living wage standard for their location. In Milwaukee, the average wage ($11.09) is dramatically higher than the living wage for singles ($6.90), and in St. Louis and Philadelphia, it is substantially higher. Though Seattle's average last known wage is relatively high for the JI ($10.36), the average wage barely reaches the living wage, even for single adults ($10.43). Single parents of





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two small children are falling short of earning living wages in each of these sites. (The sharp increase in living wage calculations for parents is largely the result of child care costs)

Many participants are still living in poverty, but the data indicate that wages and retention have improved. The JI's premise that initial high placement wages, secured through appropriate job preparation and industry targeting, would lead to higher wages over time is bearing out for many participants. Still, many questions remain. We need to look more closely at the issue of who was not well served by the JI. Are the participants who have not been placed still engaged? If they exited, when and why? Will the JI participants remain in the labor market and earn their way out of poverty? What career advancement supports are needed to assist the persistently low-wage earners? What is the role of other wage earners in the family?

Continuing retention and career advancement services will require long-term funding. A benchmark study conducted by Abt Associates indicates that expenses for each job placement average $465, while the total post-placement expense for each participant retained for a 12-month period is about $3,000. However, considering all program costs (including money spent on participants who were not retained), the cumulative expense for every placement retained for one year is $14,806.[54] While more attention is being paid to tracking, few public or private funders pay for retention and advancement services. Initiatives such as the JI provide learning laboratories to hone career advancement techniques; therefore, these experiments should be funded and documented.

## Programmatic Strategies to Improve Retention and Advancement

- Individualized services improve outcomes. Once participants are juggling work and family life, services must be even more individualized and, therefore, labor intensive on the part of the intermediaries. Persistent follow-up is helpful, even for participants who may be doing well. To sustain long-term, trusting relationships, staff turnover needs to be kept to a minimum.[47]
- Retention issues, most often thought of as participants' problems, are often systemic issues. Caroline Schultz, Milwaukee JI, said, "We lose a lot of people in the first six months for attendance problems. But attendance relates to underlying issues, like poor access to reliable child care and transportation. Early shift workers heading to new jobs in the suburbs, for example, find that while the Job Ride program departs from downtown at 5:30 a.m., the city buses don't start running early enough to get the workers downtown."
- Family matters most. Job placements that offer scheduling, location, transportation, job safety, physical requirements and flexibility that work for the household are the most likely to be sustained.[48] Case management that addresses whole family issues can prove fruitful.
- Up-front information and on-the-job supports aid retention. As one participant recounted, "If I wasn't mentally prepared for the Steel Mill & Foundry, I would have quit right away. It helps you to know how to conduct yourself. How you can handle it. I can tell you I was mentally prepared for the foundry. If I wasn't, I wouldn't have come back the second day."[49] Familiar and friendly faces on the job help too. Group placements at a single firm provide a form of on-the-job support.
- Different genders and cultures may need different services. Often, single parents need transportation and child care. Men are more likely to need help with criminal records and child support debts. Some groups may be less likely to ask for support. For example, the Asian Counseling and Referral service spent less of the Seattle Career Investment Fund than other local groups. JI staffers suspect it is related to a cultural aversion to asking for outside help. The ethnographic study cautioned that the quiet self-reliance on the part of immigrants might have resulted in less support than was really needed because overloaded case managers tend to respond to the "squeaky wheels."[50]
- Assistance with budgeting, transitional benefits and income subsidies are services participants find most helpful. An important retention service is to help new workers maximize their total income, not just their earned income, by helping them access the Earned Income Tax Credit, health insurance, child care subsidies and the like.[51] Financial and budgeting education may improve retention and reduce proclivity for job change.[52]

[47] Iverson, May 24, 2001, p. 24.
[48] Iverson, May 3, 2001, p. 15.
[49] Ibid., p. 22.
[50] Iverson, May 24, 2001, p. 31.
[51] Iverson, May 3, 2001, p. 24.
[52] Ibid., p. 22.

[54] Abelson, 2001.





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# 6

# Going to scale

At the outset of the Initiative, the Foundation posited, "By scale we mean the achievement of placement, retention, and advancement targets that substantially exceed the results accomplished by the individual jobs projects supported during the capacity-building phase."[1] The JI seeks to reorganize the web of public policies, employer practices and funding streams that cause hard-working people who get stuck in poverty to have no ladder to a career ladder that provides a viable way to climb out.

The JI offers some responses to fundamental questions about how to institutionalize policies and practices in the public and private sector to benefit disadvantaged workers. Who is in charge? What kind of entity is leading the workforce development effort? Which players have to be partners in these systems? What is the model for organizing relationships between partners? Who controls which resources? How sustainable is the intervention? These questions are explored in the context of the JI sites below.

## The operating model for each JI site: Implications for size and sustainability

### The government agency as the hub

In Seattle, a nimble city agency achieved the initiative's highest enrollment and placement rates by mobilizing enormous financial and city resources and taking advantage of an ongoing contracting system. By December 2000, Seattle had enrolled 4,700 people, placed nearly 2,000 people and the site was enrolling 1,200 new people per year. The Seattle JI, housed in the City's Economic Development Department, acts as a hub of workforce development services, conducting outreach and retention efforts through contracts with community-based organizations, inducing area community colleges to offer training courses and staying connected with business partners that need employees.

Though it worked collaboratively with partners, the Seattle JI could and did use its power to award contracts based on performance. This was only possible because of the city's ongoing political support of the Jobs Initiative. Dianne Hanna, JI Site Director, emphasizes the benefits of the Seattle JI's position in city government. "When you're dealing with large institutions [like the employment security or welfare department], it helps to be a large institution." But working from within government has its disadvantages, too. "Employer relationships are more difficult, they don't trust government. Sometimes we are hampered by bureaucracy. We try to make that oblique to clients, but it is part of administrative functions."

### A management/labor partnership as clearinghouse

Milwaukee had enrolled 1,961 participants by the end of 2000 and placed 1,124. Led by a joint effort of management and labor, the Milwaukee JI developed customized strategies for particular industries. In the process, the JI has developed tools (e.g., methods for curriculum development, mentorship programs, supervisor training) that are now being transferred to other sectors. Unlike in Seattle, the Milwaukee workforce development effort is truly owned by both of the ultimate consumers—workers who need jobs and firms that need workers. The center of gravity in Milwaukee is this partnership between employers and workers, coming together through intermediaries WRTP and MGAI.

The Milwaukee JI is investing in building up these intermediaries to be job and training clearinghouses within their sectors, with close ties to community-based supports. Caroline Schultz, Program Director, explained, "The model says—and we're not there yet—you've got 50-100 employers in one

[1] Annie E. Casey Foundation, 1999.

sector and they know who you are and trust what you do. On the supply side—and we are now putting a lot of energy and money into developing a more diverse network of community-based organizations—you connect to a pipeline of workers. When it's running at scale, you're spending less time on both sides, demand and supply, because both jobs and workers are flowing to you." In the full expression of the model, all partners do what they do best. Formal case management and supportive services are provided by community organizations; training is provided in collaboration between JI project staff and community college instructors. Milwaukee is trying to grow its current sectoral initiatives so that it has the instructors, curriculum and funding in place to be able to respond to employers' needs for workers on a just-in-time basis. Another challenge of growing is to translate their approach to health care, hospitality, information technology and other new sectors.

Many of the changes Milwaukee JI has achieved are likely to endure given the commitments of both business and organized labor to change recruitment, training and personnel strategies within firms and across industry sectors. A continuing struggle is securing the requisite funding for worker training. Caroline Schultz bemoans this fact. "We spend a ridiculous amount of time chasing down dollars to fund individual subsidized training slots, while the workforce development system takes six months to a year to figure out how to spend its training dollars."

**A bottom-up, organizing approach**

The New Orleans JI was built by organizing through churches, community-based organizations and public housing, from the ground up. This site is building slowly, having started with almost no workforce system for its target population. The lead agency controls relatively few resources, but this consensus-building, ground swell approach may be the surest way to create change in New Orleans. Another program with similar ambitions to the JI's, Project Quest, in San Antonio, TX, started with grassroots organizing and achieved notable size in a two-year time frame: the program enrolled 825 participants.[6]

**Neutral brokers**

Denver's operating foundation, St. Louis's planning organization and Philadelphia's investment fund are not government, nor are they grassroots or very closely affiliated with management and labor. Their neutrality gives them credibility with all of the partners. They act as conveners and catalysts. The downside may be that they directly control few of the resources needed to run a workforce system; they have little control over jobs and public money and they do not have a grassroots constituency or pipeline of workers. However, they have other assets. For example, St. Louis has the information and resources of a regional transportation authority at its disposal. The Reinvestment Fund (Philadelphia) offers financing to employers and uses this financial relationship to leverage the hiring policies and employee practices it is seeking. This makes the Philadelphia JI less than a completely neutral broker; its natural alliances are with employers, so it may have to work harder to develop connections to low-income workers.

## Lessons about getting to scale

Each of the JI sites has strengths on which to capitalize. In Seattle, it is the JI's access to financial resources and its insider influence with other agencies. In Milwaukee, it is in the immediate, vested interests of the two ultimate consumers of the workforce development system—the employers who control access to the jobs and organized labor, which can influence employer policies to the benefit of disadvantaged workers. In New Orleans, it is the JI's strong base of community support that can generate resources and open doors. In Denver, Philadelphia and St. Louis, it is in their role as honest broker. The task ahead is to build on those strengths to widen influence.

Each site has to spend time tracking down what it does not have within its central sphere of influence. Seattle JI works hard to continuously build relationships with employers and employees, while Milwaukee has to run after dollars and New Orleans is building whole new systems. The most likely entity to build scale will be the organization or collaboration that has access to the most money, the most influence on needed partners and the greatest power base. In that sense, it is not surprising that Seattle has been able to serve so many more people so far than the other sites.

Certain partners proved to be essential. The JI sites all engaged employers, government, labor, community colleges, community-based organizations and human services agencies as partners. The role and importance of each of these players varied across sites, depending on the lead agency, the capacity of the players and other contextual factors.

By going to scale, the JI means institutionalizing what works. As Tom Rhodenbaugh, St. Louis JI Director, emphasizes, "It is less of a program model than the techniques and approaches that make up models. Longer-term retention, access to support, advancement and opportunities for people of color have to be widely adopted in the workforce system." The next phase of the JI focuses on system reform—the essential ingredient to reaching scale and sustainability. Just when the sites are putting systems change at the top of their agenda, welfare reauthorization and WIA implementation are on the immediate horizon. The JI can offer many lessons about how these broad policies can best be shaped to work for the most disadvantaged job seekers.

6/ Osterman and Lautsch, 1996.

# 7

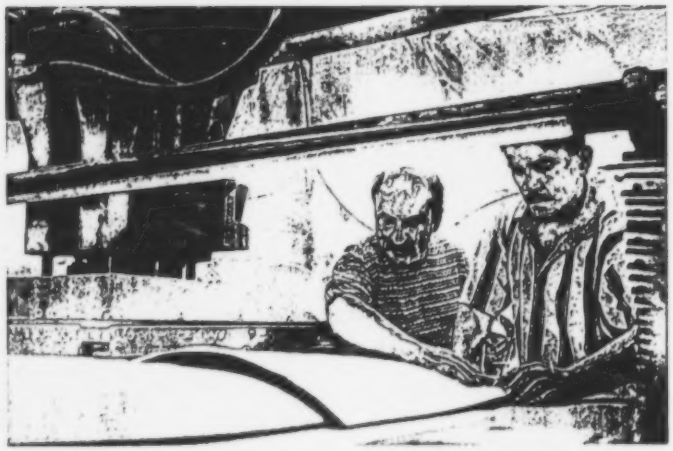
# Conclusion

The experiences of the JI partners have taught them a lot about how to extend the career ladder available to most Americans to the most disadvantaged workers. Six years ago, the JI began with some core assumptions that have been borne out in the experiences at the sites:

- Quality of the jobs is key.
- Retention is even more important than placement.
- Employers and disadvantaged job seekers are equal participants.
- Regional workforce development systems should serve all disadvantaged job seekers.

Along the way, the JI sites also learned the importance of teaching workers cultural competencies to succeed in the workplace and assisting employers to recruit, hire and supervise a more diverse workforce.

As a result of community commitment, provider expertise and foundation resources, mid-way into the Initiative, the JI's goals seem attainable. The sites are entering the systems reform phase to integrate and institutionalize these principles into the broader workforce



system in their region. At the same time, Congress will make decisions about the federal systems that have the most far-reaching impact on workforce development for disadvantaged workers.

- The TANF block grant program is due for reauthorization in 2002. These state grants of over $16 billion per year, and an additional $10 billion in state maintenance of effort funds, have been the largest potential sources of funds for workforce development.[53] The funding is flexible: it can be used for training, a wide range of support services and to benefit all low-income parents, regardless of whether they have custody of their children.
- The Workforce Investment Act (WIA) began implementation in 2000. The WIA offers about $1 billion annually to support workforce development services for adults.[54] Here, too, the states have a lot of flexibility in implementing WIA, and the Act encourages states to emphasize retention and wage progression outcomes.
- The Higher Education Act (HEA) is up for reauthorization in 2003. Most low-income people get access to training through HEA programs, principally Pell grants and student loans.

[53] Cheney et al., 2001, p. 9.

[54] Ibid.

The JI has a wealth of experience to inform pending changes in welfare and workforce policy at the regional, state and federal levels. The most broad-brush implications are:

1. Welfare goals at the federal and state levels should call explicitly for reducing family poverty, emphasizing the importance of retention and wage advancement.

2. The level of TANF funding to the states must be sustained; many JI activities were supported through state TANF funds.

3. Welfare recipients must be able to access education and training. This will be one of the key issues debated during TANF reauthorization deliberations. The JI's experience is that job training, developed in partnership with employers, provided to appropriate participants and targeted to high-paying industries with career ladders, yields high-paying jobs that are retained by disadvantaged workers.

4. States and localities should ground allocation of the Individual Training Accounts (vouchers to job seekers) in individualized assessment and career counseling in the implementation of WIA. Job search alone yields short term results that dissipate over time. Job strategies that are tailored to the needs of the individual and offer a mix of services are more effective over the long term.

5. Flexible funding must be provided for job training. Programs like Milwaukee's customized training with employer commitments to hire up-front should be able to receive funds rapidly. Community colleges need support to provide vocational training if they are to realize their potential in assisting low-income workers. WIA funds and services should be combined with those of other agencies to ensure that training providers can operate their programs efficiently and for all workers.

6. Local and state human services systems should be organized and integrated with the workforce development system so that mental health and drug rehab services, housing and education support employment outcomes.

7. Funding for retention services and demonstration programs and additional research are needed to develop and document retention services that most effectively promote career advancement. The costs of retention services are not sufficiently covered by most public funding for employment services.

8. Children's needs should be considered more fully in policies related to child care provisions, work requirements, training schedules and transportation.

In addition to these and other issues related to public systems, the JI sites have forged a number of innovations in working with private-sector employers. These partnerships have led to changes in recruitment practices, job requirements, personnel policies and on-the-job training, among others. The JI sites will need to find a way to proliferate these changes among employers in their regions.

Many systems changes have already occurred in the JI sites. JI standards are "rubbing off" on the local region where practitioners and funders are putting more emphasis on soft skills, developing partnerships with employers, creating effective job readiness assessment and offering post-placement support. The JI intermediaries are leaders in workforce policy in their regions. For example, the Seattle JI leads the city in establishing intergovernmental coordination and relations. St. Louis is seeing more interaction and cooperation among state agencies on welfare-related issues. New Orleans had to win reforms at community colleges before it could start delivering programs. Milwaukee helped shape the recommendations of the governor's task force on technical training. As a result, the current Wisconsin state budget includes a new Workforce Attachment and Advancement Fund. Philadelphia created a regional workforce partnership made up mostly of employers that, among other things, released state of the labor market reports recommending priorities for public investment.

Six years ago, the Jobs Initiative laid out a bold agenda that it is well on its way to achieving. It helped more than 5,000 disadvantaged workers climb onto a career ladder during a time of great change in workforce policy and in the context of a booming economy. During the next phase, the JI seeks to make strategic improvements in workforce development practices and policies to make them more responsive to low-income and disadvantaged workers. The goals are ambitious and will be difficult to achieve, but the pretext is simple: People who work hard should not be poor.

## Resources

*The following people graciously provided interviews or other versions of valuable input.*

Margaret-Berger Bradley, Site Director, Philadelphia Jobs Initiative

Laura Dresser, Center On Wisconsin Strategies and Milwaukee Jobs Initiative

Susan Gewirtz, Jobs Initiative Assistant Project Director, Annie E. Casey Foundation

Bob Giloth, Jobs Initiative Project Director, Annie E. Casey Foundation

Dianne Hanna, Seattle Jobs Initiative Site Director

Robert Harrington, Metis Associates

Ed Hatcher, The Hatcher Group

Scott Hebert, Abt Associates

Roberta Rehner Iversen, University of Pennsylvania

Anne Keeney, Seattle Jobs Initiative

Tom Rhodenbaugh, St. Louis Jobs Initiative

Brandon Roberts, + Associates

Jyaphia Rogers, Quality Assurance and Evaluation Specialist, New Orleans Jobs Initiative

Caroline Schultz, Milwaukee Jobs Initiative

Judy Summerfield, Seattle Jobs Initiative

Julie Strawn, Center for Law and Social Policy

Judy Taylor, Jobs for the Future

Sharon Walter, Interim Solutions, Inc.

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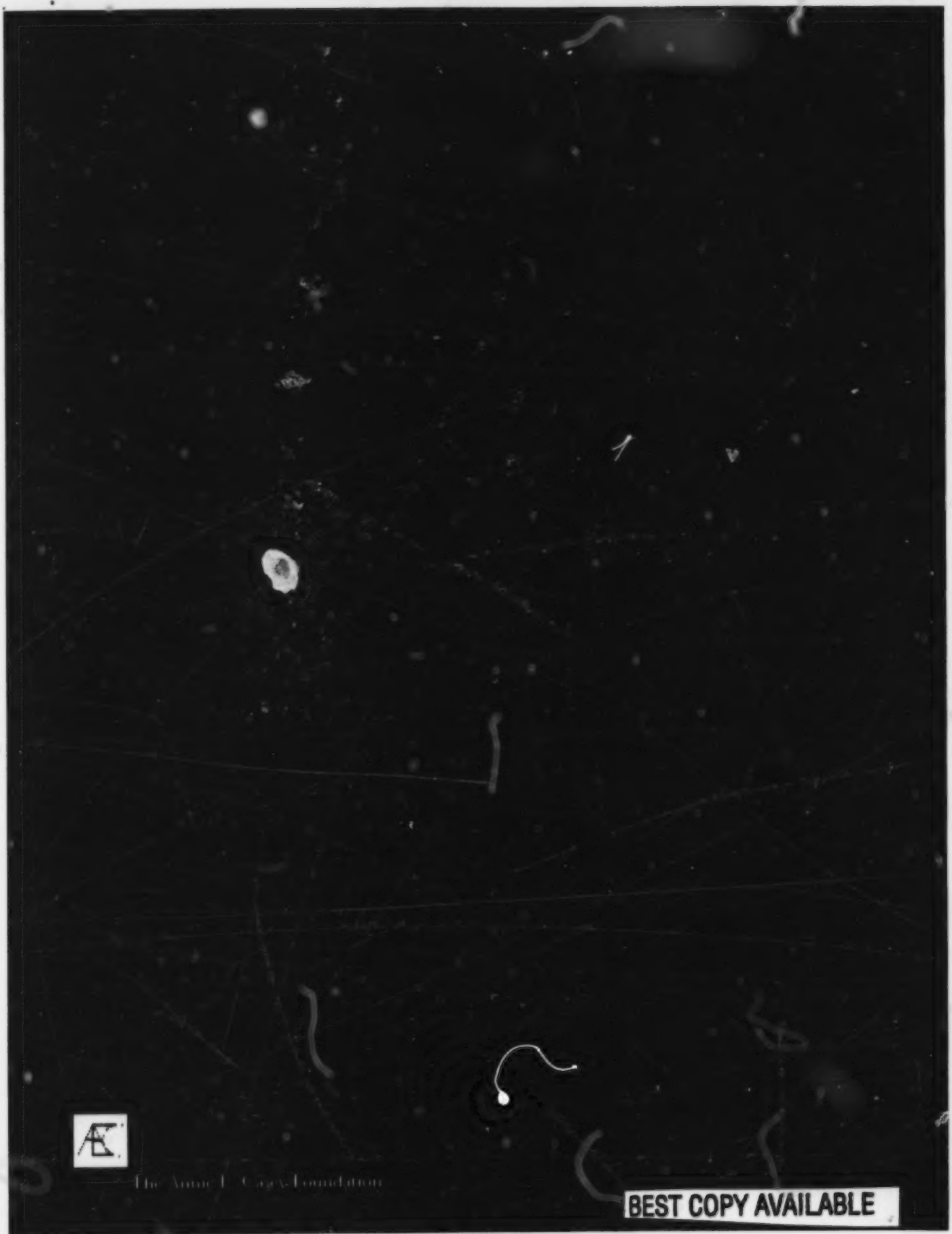

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